

HOUSING AFFORDABILITY

The quality of life in San Diego County makes it a desirable place in which to live and work. During the past decade, regional job and population growth fueled a demand for housing that was not met by an equal increase in housing supply. Consequently, the continued demand for home ownership pushed the median price of housing to what is unaffordable to seventy-four percent of the region's households¹, where the median annual family income is \$61,100.

Housing affordability in the San Diego region is a complex problem that cannot be resolved within a single jurisdiction nor solely through its general plan. Nevertheless, it is important that GP2020 take reasonable actions to ensure that affordable housing is available, an issue that will be addressed in the Housing Element. GP2020 can impact housing affordability in three basic ways:

1. Planning concepts, as applied to land use maps, should employ established methods for improving housing affordability.
2. Residential capacity should provide enough supply to meet the County's fair share of the region's future housing demand.
3. Allowable densities should be related to affordable housing types.

This section describes how GP2020 addresses affordable housing in these three ways.

Planning Concepts

GP2020 planning concepts seek to improve housing affordability by incorporating the efficient use of land and infrastructure into land use plans. According to the Building Industry Association (BIA) of San Diego County and the San Diego County Apartment Association, taking the following actions will improve housing affordability:

- Use land efficiently by accommodating growth in compact developments.
- Maximize use of the limited resources dedicated to infrastructure.
- Provide more areas for attached housing.
- Facilitate mixed-use developments in urban areas.

These four actions are imbedded in GP2020 planning concepts, land use framework, and working copy land use maps. Proposals making it easier to cluster development should also contribute to reduced land development costs in semi-rural and rural locations. In more urbanized areas, staff is conducting workshops to prepare town center plans containing mixed-use development. GP2020 will encourage the use of alternative, on-site sewage disposal systems that allow smaller lots, and more efficient development patterns, in areas without sewer service. Finally, the GP2020 implementation plan will include actions to simplify and update local codes and ordinances that impede development.

¹ California Budget Project, October 2002.

Some of the remaining vacant land within the CWA boundary is constrained by poor access, steep slopes, floodplains, and high water and percolation problems that limit the amount or type of housing development. Although GP2020 reduces future development in these areas, this will not contribute to the lack of affordable housing because ample residential land that is less constrained is provided on the December 2002 working copy map. Also, residential development on highly constrained land is typically not affordable for median-income families because site and building development costs are higher on land that is highly constrained.

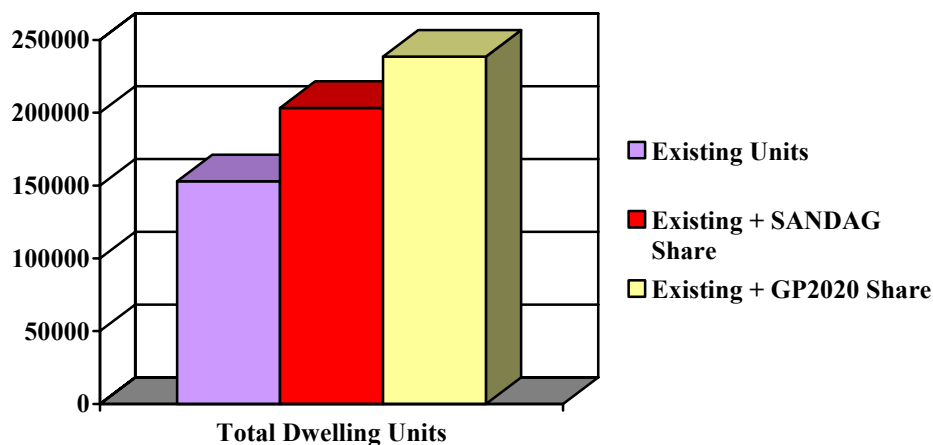
Residential Capacity

Forecast models show that the December working copy map provides more than enough capacity to meet the County's fair share of the region's housing demand through 2020. In San Diego County, fair share is determined through a process initiated by the State of California's Department of Housing and Community Development (HCD). This agency negotiates with SANDAG to establish the number of housing units the region is expected to absorb. SANDAG then works with its members, which includes the County, to establish each jurisdiction's "fair share" of forecasted housing demand.

2020 Forecasts for Future Regional Housing Share

	Existing Dwelling Units	New Future Dwelling Units		Total Future Dwelling Units	
		Housing Capacity	% Regional Growth	Existing plus Future	% Regional Supply
<i>Est. SANDAG fair share:</i>	152,950	50,390	21%	203,340	16%
<i>GP2020 Capacity:</i>	152,950	85,570	36%	238,520	19%

Although the County's current share of the region's housing supply is sixteen percent, SANDAG forecasts show the unincorporated County taking twenty-one percent of the region's forecasted housing demand through the year 2020. The GP2020 working copy map takes thirty-six percent of the region's forecasted housing demand, which is greater than the SANDAG estimate. By the year 2020, the County would increase its share of the region's total housing supply from sixteen to nineteen percent.



Affordable Housing Types

As land costs escalate, even moderate-income households will be priced out of semi-rural areas that require a family to purchase one, two or more acres of land. Affordable housing will more typically be associated with specific housing types – small lot, single-family developments, duplex units, and attached multi-family dwellings – that are built in areas with densities ranging from 2 to 24 dwelling units per acre. These are the Village and Village Core densities as defined by the GP2020 land use framework. In the December working copy map, 43% of future dwelling units are located in Village and Village Core areas².

It is important that design standards and appropriate height limits for higher density housing are part of the GP2020 implementation plan. Good design, as well as comprehensive plans for mixed-use town centers, will improve community acceptance for high-density development.



Triplex (3 units)

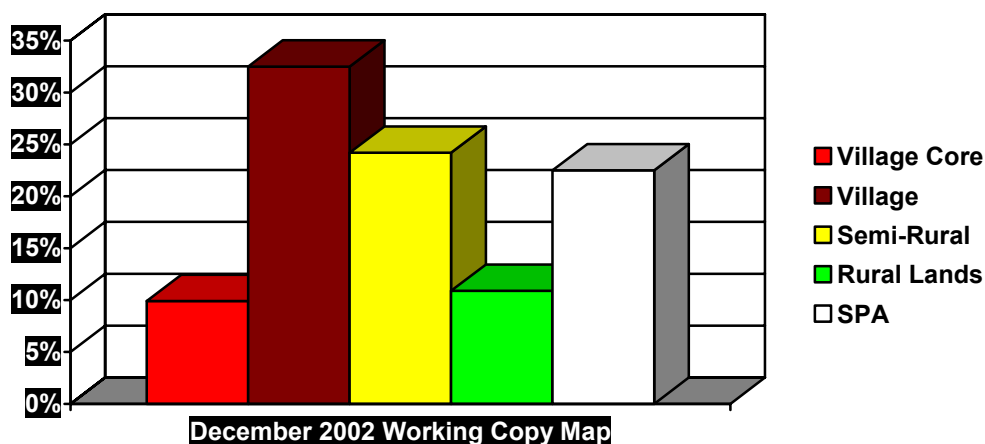


High-Density Detached



High-Density Attached

Providing affordable housing is a particular challenge in the unincorporated County because medium to high-density housing requires access to municipal sewer service, which is financed by special districts. For the County to realize its potential to build affordable housing, special districts must be created or expanded to provide sewer service to Village and Village Core areas that currently lack such service.



² Percentages of future dwelling units at Village Core and Village densities do not include potential development in specific plans, which include a range of residential densities.

Other Factors That Affect Affordability

Many factors, *unrelated to GP2020*, affect the cost of housing:

- Legal Costs / Tort Reform: Condominium construction during the past decade was curtailed by the threat of construction defect litigation. However, recent State legislation (AB800) may result in increased condominium production.
- Entitlement Costs: Because of Proposition 13, local jurisdictions are forced to rely heavily on entitlements and impact fees to support the initial public costs of new development. Land dedications and exactions, as well as the cost to carry a project through the review process, add to the cost of new homes.
- Entitlement Process: The length of time it takes for the entitlement process can impact the County's ability to respond to changes in the marketplace, which in turn can produce shortages and rising housing costs.
- Financing Costs: During the past few years, the lowest interest rates in thirty years fueled an enormous demand for housing.
- Size of Homes: Although the average household size (currently 2.7 persons) remained relatively stable during the past twenty-five years, the average number of square feet for new homes doubled during the same period.
- Regional Supply: Incorporated jurisdictions contain eighty-four percent of the regions housing supply, so actions taken by those jurisdictions can have a strong impact on housing prices.